

Service Date: February 7, 1975

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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In the Matter of the application of	)	
THE WASHINGTON WATER POWER COMPANY	)	DOCKET NO. 6271
for an order authorizing the issuance	)	FIRST SUPPLEMENTAL
of \$25,000,000 First Mortgage Bonds	)	ORDER NO. 4175
and 300,000 shares of Common Stock.	)	
(no par value)	)	

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By Order No. 4175, dated January 21, 1975, this Commission authorized the applicant, The Washington Water Power Company, (hereinafter called Applicant) to issue and sell \$25,000,000 \_\_\_\_\_% First Mortgage Bonds and 300,000 shares of presently authorized and un-issued Common Stock (no par value). Price and interest rate of the First Mortgage were to be negotiated, subject to approval of this Commission. Price of the Common Stock was to be negotiated, subject to approval of this Commission.

On January 31, 1975, Applicant submitted a letter amendment requesting the Commission to amend its Order dated January 21, 1975, to permit the Applicant to issue and sell 400,000 shares of Common Stock, (no par value).

ORDER

NOW, THEREFORE, at a session of the Public Service Commission held in its offices at Helena, Montana, on February 6, 1975, there being present Chairman Gordon E. Bollinger, Commissioner P.J. Gilfeather, Commissioner Thomas G. Monahan, Commissioner James R. Shea and Commissioner George Turman, there regularly came before the Commission for final action, the matters and things in Docket No. 6271, as amended, and the Commission being fully advised in the premises;

IT IS ORDERED that the application of The Washington Water Power Company, as amended, for an order authorizing the issuance and sale of 400,000 shares of presently authorized and un-issued Common Stock (no par value) on the terms and conditions as set forth in said application as amended, be and the same is hereby approved.

IT IS FURTHER ORDERED that nothing in this Order and no provisions of Section 70-117.1 through 70-117.6, RCM 1947, or any act or deed done or performed in connection herewith shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed under the provisions of Section 70-117.1 through 70.117.6, RCM 1947.

Except as herein modified all the terms and provisions of Order No. 4175, Docket No. 6271, dated January 21, 1975, shall remain in full force and effect.

The foregoing Order was adopted by the Public Service Commission of the State of Montana.

DONE IN OPEN SESSION at Helena, Montana, this 6th day of  
February, 1975.

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GORDON E. BOLLINGER, Chairman

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P.J. GILFEATHER, Commissioner

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THOMAS. G. MONAHAN, Commissioner

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JAMES R. SHEA, Commissioner

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GORDON TURMAN, Commissioner

ATTEST:

GAIL E. BEHAN  
(Secretary)  
(Seal)

Service Date: February 11, 1975

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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In the Matter of the application	)	
of THE WASHINGTON WATER POWER COMPANY	)	DOCKET NO. 6271
for an order authorizing the issuance	)	SECOND SUPPLEMENTAL
of \$25,000,000 First Mortgage Bonds	)	ORDER NO. 4175
and 400,000 shares of Common Stock	)	
(no par value).		

By Order No. 4175 dated January 21, 1975, as amended, this Commission authorized the applicant, The Washington Water Power Company, (hereinafter called applicant) to issue and sell \$25,000,000 of 9-3/8% First Mortgage Bonds and 400,000 shares of presently authorized and un-issued Common Stock (no par value). Price and interest rate of the First Mortgage Bonds were to be negotiated subject to approval of this Commission. Price of the Common Stock was to be negotiated, subject to approval of this Commission.

On February 10, 1975, the Company filed its Second Supplemental Application, setting forth the results of the negotiations for purchase and sale of the First Mortgage Bonds and the Common Stock. The Second Supplemental Application set forth that the Company had negotiated the sale and purchase with the underwriters, represented by Kidder, Peabody and Company, Incorporated, White, Weld and Company, Inc., and Dean Witter and Company, Incorporated, so as to provide a price of said bonds to the Underwriters exclusive of accrued interest is \$ 100.375 (per

\$100. of face value), the initial price of said bonds to the public is \$ 101.25 (per \$100. of face value), the interest rate is 9.375% per annum, and the effective cost of money to Applicant is 9.3376%. The price to be paid to the applicant is \$ 18.50 per share for its 400,000 shares of Common Stock (no par value).

The redemption prices are expressed in percentage of the principal amount of bonds to be redeemed. The general redemption prices will be 110.63% if redeemed during the twelve month period ending January 31, 1976, declining in each successive twelve month period thereafter by approximately 0.37% to 100.00% at February 1, 2005. The special redemption prices will be 101.25% redeemed during the twelve month period ending January 31, 1976, and will decline at a maximum rate of 0.23% to 100.00% at February 1, 2004. In each case together with accrued interest to the date fixed for redemption, provided that no bonds shall be redeemable at the general redemption prices prior to February 1, 1985, with borrowed funds or in anticipation of funds to be borrowed, having an interest cost (calculated in accordance with acceptable financial practice) of less than 9.375% per annum.

Having fully considered the Second Supplemental Application and all the records and files pertaining thereto and being fully advised in the premises, the Commission makes the following:

#### FINDINGS OF FACT

1. That on February 10, 1975, the applicant filed a Second Supplemental Application, as contemplated by the Commission's Order No. 4175, dated January 21, 1975, as amended, which shows that the issuance by the applicant of \$25,000,000 of 9-3/8% First Mortgage Bonds due 2005 and 400,000 shares of presently authorized but un-issued Common Stock (no par value) in accordance with the terms and results of the negotiations for the sale and purchase of the Bonds and Common Stock as summarized above is not inconsistent with the public interest and is necessary and appropriate for and consistent with the

proper performance by the Company of service as a public utility.

#### CONCLUSION

The Commission concludes that the Second Supplemental Application of The Washington Water Power Company herein should be approved as hereinafter noted.

#### ORDER

NOW, THEREFORE, at a session of the Public Service Commission held in its offices at Helena, Montana, on February 10, 1975, there being present Chairman Gordon E. Bollinger, Commissioner P.J. Gilfeather, Commissioner Thomas G. Monahan, Commissioner James R. Shea and Commissioner George Turman, there regularly came before the Commission for final action the matters and things in Docket No. 6271, and the Commission being fully advised in the premises;

IT IS ORDERED that the application filed by The Washington Water Power Company herein on December 16, 1974, as amended by a First Supplemental Application thereto filed on January 31, 1975, and Second Supplemental Application thereto filed on February 10, 1975, for an order authorizing the issuance and sale of First Mortgage Bonds and Common Stock on the terms and conditions as set forth in said application as amended, and the execution of a Sixteenth Supplemental Indenture to be dated February 1, 1975, between applicant and First National City Bank of New York, trustee, be and the same is hereby approved. That the issuance and sale of said bonds bearing an interest rate of

9-3/8% and at a price to be received by the applicant, exclusive of accrued interest, of \$100.375 per \$100. of face value(100.375%of face value of Bonds) be and the same hereby are authorized. That the issuance and sale of said 400,000 shares of presently authorized but un-issued Common Stock (no par value) at a price to be received by the applicant of \$18.50 per share be and the same are hereby approved. That the redemption provisions of the First Mortgage Bonds be and the same are hereby approved.

Nothing in this order and no provision of Section 70-117.1 through 70-117.6, RCM 1947, or any act or deed done and performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized by this order or authorized, issued, assumed or guaranteed under the provision of said Sections 70-117.1 through 70.117.6, RCM 1947.

Except as herein modified all the terms and provisions of Order No. 4175, Docket No. 6271, dated January 21, 1975, shall remain in full force and effect.

The foregoing order was adopted by the Public Service Commission of the State of Montana.

DONE in open session at Helena, Montana this 10th day of February, 1975.



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GORDON E. BOLLINGER, Chairman

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P.J. GILFEATHER Commissioner

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THOMAS G. MONAHAN, Commissioner

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JAMES R. SHEA, Commissioner

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GEORGE TURMAN, Commissioner

ATTEST:

GAIL E. BEHAN  
(Secretary)  
(Seal)